

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Enforcement Case No. 09-7166

7330

Jalbert Financial Group, LLC,

Russell K. Jalbert and

Eugene Wittstock.

Respondents.

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CONSENT ORDER

WHEREAS, the Office of Financial and Insurance Regulation ("OFIR") conducted an investigation of Jalbert Financial Group, LLC ("JFG") and Russell K. Jalbert ("Jalbert") and determined that JFG and Jalbert have offered and sold securities as defined in Section 401 of the Uniform Securities Act of 1964, 1964 PA 265, as amended, (the "Uniform Securities Act"), MCL 451.801; and

WHEREAS, JFG and Jalbert have cooperated with regulators conducting the investigations by responding to inquiries, providing documentary evidence and other materials, and immediately halting further offers and sales; and

WHEREAS, JFG and Jalbert, as part of this settlement, agree to make certain payments; and

WHEREAS, JFG and Jalbert neither admit nor deny the Findings of Fact and Conclusions of Law, but have agreed to resolve the investigation relating to offers and sales of unregistered

securities through this Administrative Consent Order (the "Order") in order to avoid protracted and expensive proceedings; and

WHEREAS, JFG and Jalbert, as evidenced by the authorized signature on the consent to the Order below, admit the jurisdiction of OFIR, voluntarily consent to the entry of this Order and elect to permanently waive any right to a hearing and appeal under the Administrative Procedures Act of 1969, 1969 PA 306, as amended, MCL 24.201 *et seq.*, ("APA"), and the Uniform Securities Act with respect to this Order;

NOW, THEREFORE, the Chief Deputy Commissioner of OFIR, as authorized under the Uniform Securities Act, hereby enters this Order:

BACKGROUND AND FINDINGS OF FACT

1. Respondent Jalbert Financial Group, LLC, (herein "JFG") is a Michigan limited liability company whose principle place of business is located at 40 Oak Hollow, Ste. 340, Southfield, MI 48033. Jalbert Financial is a Michigan licensed insurance resident producer agency with qualifications to transact business in accident, health, life, and variable annuities. System ID No. 0084964.

2. Respondent Russell K. Jalbert (herein "Jalbert") is a Michigan resident who is also a licensed resident producer agent with qualifications to transact business in accident, health, life, variable annuities, and variable contracts. System ID No. 0025419. He is the president of Jalbert Financial. During the relevant time periods, Jalbert held an agency appointment with Jalbert Financial.

3. Jalbert Financial and Jalbert are hereinafter referred to as the Respondents.

4. In November 2008, OFIR issued a Cease and Desist Order against Diversified Lending Group, Inc. ("DLG") to cease and desist from selling unregistered, nonexempt securities in the State of Michigan in violation of the MUSA.

5. In June 2009, OFIR opened an investigation of the Respondents' business activities. In response to inquiry from OFIR, DLG furnished information showing that from 2007 - 2008 the Respondents were effecting the purchase and sale of DLG securities.

6. According to DLG's response to OFIR's inquiry, DLG was engaged in the acquisition and operation of income producing real estate, real estate lending, insurance premium financing strategies, financial service brokerage business and private investment pools. DLG acknowledged that it conducted certain business through its wholly-owned subsidiary, Applied Equities, Inc. ("AEI"). AEI contracted with Your Platinum Distributors Insurance Marketing Co., ("YPD"), a Texas corporation and wholesaler of annuity, life insurance, and investment products. YPD, in turn, contracted with insurance agents, whom DLG authorized to represent DLG to the insurance agent's existing clients. The insurance agents, such as Respondents, then solicited investments ranging from \$50,000 to \$250,000. According to DLG, the DLG products were designed to be shown only to the insurance agent's existing clients, whom the agent knew to be accredited investors and appropriate candidates. OFIR also obtained documentation of the Respondents' sales and commissions paid to them in response to a subpoena.

7. Jalbert Financial received several thousand dollars in commissions from YPD.

8. Respondent Jalbert received several thousand dollars in commissions from YPD.

9. The Respondents were not registered as securities agents pursuant to the MUSA.

10. OFIR staff conducted a search to locate records of any agent registration or exemption filings pursuant to the MUSA in the matter of Jalbert Financial and Jalbert. No such records were found.

CONCLUSIONS OF LAW

1. The DLG investments sold to Michigan residents are securities, as defined by Section 401(z) of the Uniform Securities Act, MCL 451.801(z).

2. Respondents sold DLG securities and were not registered with OFIR in violation of Section 201 of the Uniform Securities Act, MCL 451.601.

ORDER

IT IS HEREBY ORDERED:

1. Respondents shall immediately **CEASE AND DESIST** from violating Section 201 of the Act, MCL 451.601.

2. Respondent Jalbert Financial Group, LLC, shall pay the sum of \$2,000 to the State of Michigan.

3. Respondent Russell Jalbert, shall pay the sum of \$3,000 to the State of Michigan.

4. This Order concludes the investigation by OFIR of any and all allegations contained within the August 6, 2009 Cease and Desist Order and any other action based upon those allegations that OFIR could commence under the Uniform Securities Act on behalf of the State of Michigan as it relates to JFG and Jalbert, up to and including any activity through June 1, 2009.

5. This Order is entered into solely for the purpose of resolving the referenced investigation, and is not intended to be used for any other purpose, and its findings and conclusions shall not constitute admissions on the part of JFG and Jalbert for any purpose. The Respondents are prohibited, however from taking any action, publically or privately, creating the

impression that the violations are without factual basis and failure to comply with this prohibition constitutes a material default of this Order. However, nothing in this paragraph affects Respondents': (1) testimonial obligations; or (2) right to take legal or factual positions in litigation or other legal proceedings in which OFIR is not a party.

6. If payment is not made by JFG and Jalbert, or if JFG and Jalbert default in any of their obligations set forth in this Order, OFIR may vacate this Order, at its sole discretion, upon 10 days notice to JFG and Jalbert and without opportunity for administrative hearing, and commence separate action.

7. For any person or entity not a party to this Order, this Order does not limit or create any private rights or remedies against JFG and Jalbert, does not limit or create liability of JFG and Jalbert, or limit or create defenses of JFG and Jalbert to any claims.

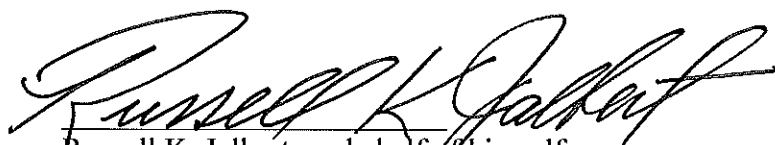
8. Nothing herein shall preclude the State of Michigan, its departments, agencies, boards, commissions, authorities, political subdivisions and corporations (collectively, "State Entities"), other than OFIR, from asserting any claims, causes of action, or applications for compensatory, nominal and/or punitive damages, administrative, civil, criminal, or injunctive relief against JFG and Jalbert in connection with unregistered securities sales.

9. This Order and any dispute related thereto shall be construed and enforced in accordance with, and governed by, the laws of the State of Michigan without regard to any choice of law principles.

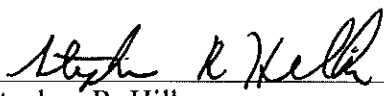
10. This Order shall be binding upon JFG and Jalbert and its successors and assigns as well as to successors and assigns of relevant affiliates with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

11. That the Order to Cease and Desist entered and issued on August 6, 2009, against Russell K. Jalbert and Jalbert Financial Group, LLC, is hereby DISMISSED.

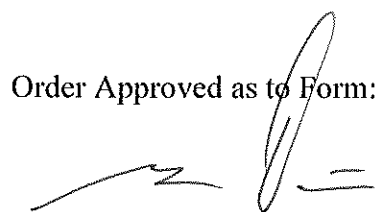
Dated this 11 day of September, 2009.



Russell K. Jalbert, on behalf of himself
And Jalbert Financial Group, LLC

BY ORDER OF THE COMMISSIONER OF THE OFFICE
OF FINANCIAL AND INSURANCE REGULATION


Stephen R. Hilker
Chief Deputy Commissioner

Order Approved as to Form:


George B. Donnini, Shareholder
Butzel Long, a professional corporation


Elizabeth V. Bolden, Staff Attorney
Office of Financial and Insurance Regulation